

Provincial/Territorial
Council on Social Policy
Renewal

Progress Report to
Premiers
No. 5

August 10, 2000

TABLE OF CONTENTS

	Page
Introduction	1
Social Union Framework Agreement	3
National Children's Agenda.....	7
Early Childhood Development	9
National Child Benefit	12
Benefits and Services for Persons with Disabilities	14
Health	16
Education	18
Labour Market	22
Aboriginal Affairs	27
Housing.....	30
Status of Women.....	33
Finance.....	34
Appendix A – Provincial/Territorial	36
<i>Discussion Paper on Dispute Avoidance and Resolution</i>	

MEMBERS OF THE
PROVINCIAL/TERRITORIAL
COUNCIL ON SOCIAL POLICY RENEWAL

Manitoba (Chair)	Honourable Tim Sale Minister of Family Services and Housing
Alberta	Honourable Shirley McClellan Minister of International and Intergovernmental Relations
British Columbia	Honourable Joy K. MacPhail Deputy Premier and Minister of Labour
New Brunswick Services	Honourable Percy Mockler Minster of Family and Community
Newfoundland Affairs	Honourable Joan Marie Aylward Minister of Municipal and Provincial
Northwest Territories	Honourable Jane Groenewegen Minister of Health and Social Services
Nova Scotia	Honourable Peter G. Christie Minister of Community Services
Nunavut	Honourable Ed Picco Minister of Health and Social Services
Ontario	Honourable Norman Sterling Minister of Intergovernmental Affairs
Prince Edward Island	Honourable Jamie Ballem Minister of Health and Social Services
Saskatchewan	Honourable Jack Hillson Minister of Intergovernmental and Aboriginal Affairs
Yukon	Honourable Don Roberts Minister of Health and Social Services

Note: The Honourable Joseph Facal, Cabinet du ministre
délégué aux Affaires Intergouvernementales canadiennes,
represents the Government of Québec as an observer.

INTRODUCTION

Since 1995, provinces and territories have been leaders in social policy renewal activities. At the August 1995 Annual Premiers' Conference in St. John's, Newfoundland, Premiers agreed to make social policy reform and renewal a shared priority and established a Ministerial Council to work on issues of national importance.

In 1996, the federal government joined the ongoing work of the Provincial/Territorial (P/T) Council. Since then, cross-sectoral work on strengthening Canada's social union has been coordinated on two fronts - by the Provincial/Territorial Council on Social Policy Renewal and the Federal/Provincial/Territorial Council on Social Policy Renewal (F/P/T). This work led to the Social Union Framework Agreement (SUFA), which was signed by all First Ministers, except for the Premier of Québec,¹ on February 4, 1999.

The P/T Council provides Premiers with an annual Progress Report on the status of the social policy renewal agenda. This year's report summarizes the progress made by the P/T Council, the F/P/T Council and the various sector councils toward implementing the objectives identified by Premiers at the 1999 APC and makes recommendations for advancing social policy priorities in the coming year. The report also discusses the areas of progress and identifies where further collaboration is required in the post-Social Union Framework Agreement environment.

Over the past year, the P/T Council on Social Policy Renewal, chaired since the fall of 1999 by the Honourable Tim Sale, Manitoba's Minister of Family Services and Housing, has met four times and has held a number of conference calls. The F/P/T Council, co-chaired by Minister Sale and the Honourable Jane Stewart, Minister of Human

¹ While sharing essentially the same concerns, the Government of Québec does not intend to adhere to the F/P/T approach or the P/T approach to social policies. Furthermore, Québec did not sign the Social Union Framework Agreement. Consequently any reference to joint federal/provincial/territorial positions or provincial/territorial positions in this document do not include the Government of Québec. However, the Québec Government supports the P/T position on the full restoration of the CHST transfer payments as a top priority. Québec considers that this top priority should be met rather than launching any new Canada-wide programs.

Resources Development Canada, has met twice and has held several conference calls.

At their October 1999 meeting, the P/T Council unanimously agreed that it had an important cross-sectoral steering role to play in managing the implementation of the Social Union Framework Agreement and in advancing the work of the National Children's Agenda. Ministers made a strong commitment to work cooperatively with the federal government to achieve these goals. The P/T Council's work in the past year has focused on working with the federal government to achieve progress on the following key issues:

- the full and immediate restoration of the Canada Health and Social Transfer, with an appropriate escalator;
- the implementation of the Social Union Framework Agreement, including the commitments around dispute avoidance and resolution, mobility and social trends;
- consultations with the five national Aboriginal organizations on the implementation of the Social Union Framework Agreement wherever such implementation has implications for Aboriginal people; and,
- the advancement of the National Children's Agenda.

SOCIAL UNION FRAMEWORK AGREEMENT

Premiers' Direction from 1999 APC

Premiers recommended that the Council complete its implementation plans, including its work on providing direction on reporting required under the Agreement.

Progress:

- The P/T Council on Social Policy Renewal is committed to an effective Social Union Framework Agreement and has continued to seek opportunities to work with the federal government on implementation activities.
- Enhancing the mobility of Canadians was an important goal for provinces and territories in negotiating the Social Union Framework Agreement, and remains a major area of focus for provinces and territories in implementing the Agreement. All jurisdictions have reported to the F/P/T Council on Social Policy Renewal on their ongoing efforts to eliminate unreasonable residency-based barriers to mobility associated with social programs, by 2002, and to ensure that no new barriers are created. The F/P/T Council will provide these reports to First Ministers in the Fall of 2000.
- Provinces and territories also are working on enhancing their governments' accountability to Canadians by developing and refining their own methods for monitoring and measuring social programs. This is consistent with a central element of the Social Union Framework Agreement, which commits each government to monitor and measure outcomes of its social programs and to report regularly to its constituents on the performance of these programs.
- The F/P/T Council has begun discussions on social policy trends – both from Canada-wide and provincial/territorial perspectives. Ministers have agreed that this is an interesting and important issue and that they will continue their work in this area.

- Flowing from the outcome of the meeting between Premiers and national Aboriginal Leaders on March 22, 1999, the first Tripartite meeting of the F/P/T Council, F/P/T Ministers Responsible for Aboriginal Affairs and Leaders of the five national Aboriginal organizations was held on December 16, 1999. Ministers and Leaders agreed to:
 - create a working group of officials to carry out work under their direction;
 - hold a meeting of Council Co-Chairs and national Aboriginal Leaders within six months to review progress; and
 - convene within one year, a meeting of the Ministerial Council, Ministers Responsible for Aboriginal Affairs and national Aboriginal Leaders to review outcomes.
- Four workplans were approved on June 15, 2000 at a meeting of national Aboriginal Leaders (Inuit Tapirisat of Canada was not represented at the meeting) with the Federal and Provincial/Territorial Council Co-Chairs. The workplans include Information Sharing on SUFA Implementation; Social Trends Affecting Aboriginal People; Engaging Aboriginal Organizations in the Implementation of SUFA; and Aboriginal Organizations' Participation in the Three-Year Review of SUFA. The outcomes of the workplan activities will be discussed at the next Tripartite meeting to be held by December 2000.

- While work is proceeding in a number of areas, progress on implementation of some aspects of the Agreement has been limited, largely due to differences in interpretation of particular sections of the Agreement. One of the major obstacles to progress between the federal and provincial/territorial governments has been the lack of agreement on an appropriate role for the Ministerial Council. Based on past direction from Premiers stemming from 1995, the P/T Council has advocated a substantive role for the Council, which, in addition to coordinating work on cross-sectoral initiatives, could include articulation of a broader vision for social policy in Canada. The federal government sees the sector tables as playing the primary role in social policy development and prefers a limited role for the Council.
- In the fall of 1999 and throughout early 2000, the P/T Council called on the federal Co-chair to work with it to develop an administrative mechanism for implementing the dispute avoidance and resolution section of the Agreement, which could be used by sector councils. The federal government had indicated an unwillingness to participate in this work, and the P/T Council moved ahead on its own to develop a discussion paper on avoiding and resolving disputes. The paper, which recommends a practical three-step approach for resolving intergovernmental disputes, was shared with the federal Minister in May 2000 and discussed at the F/P/T Council meeting in Newfoundland on June 23. The federal government is currently considering the P/T paper; however, no formal response to provinces and territories has been provided. A copy of the discussion paper accompanies this Progress Report.
- The P/T Council also has expressed significant concern that the federal government's handling of its homelessness initiative was not consistent with the collaborative spirit of the Agreement. As the first new Canada-wide program to emerge since the signing of SUFA, the P/T Council felt that the federal government should have been more sensitive to the need to undertake meaningful collaboration and consultation with provinces and territories. As a result of Ottawa's unilateral approach, the range of needs related to housing

and homelessness issues in Canada, including sustainable funding support, may not be adequately addressed.

- A three-year review of SUFA is to be completed by February 2002. The Agreement commits governments to "jointly undertake a full review of the Agreement and its implementation, and make appropriate adjustments to the Framework as required. This review will ensure significant opportunities for input and feedback from Canadians and all interested parties, including social policy experts, private sector and voluntary organizations."

Next Steps

The P/T Council will continue to work on its own and with the federal government in fulfilling the commitments contained in the Social Union Framework Agreement.

Recommendations

The Council recommends that Premiers emphasize that any new Canada-wide social programs respect the commitments in the Social Union Framework Agreement, including the principle to ensure adequate, affordable, stable and sustainable funding. The Council further recommends that Premiers continue to call for the full and immediate restoration of the CHST plus the adoption of an appropriate escalator as a critical federal contribution towards sustaining existing social programs in Canada. New Canada-wide social initiatives, such as in the area of early childhood development, would require new funding.

On a dispute avoidance and resolution mechanism, the Council recommends that Premiers agree to endorse and release the discussion paper and recommend it for use by social policy sectors when disagreements arise between governments on SUFA commitments on mobility, intergovernmental transfers, interpretation of the *Canada Health Act* principles, and, as appropriate, any new joint initiative. Premiers should also urge the federal government to consider the P/T paper on dispute avoidance and resolution as a useful mechanism for intergovernmental disputes.

The Council recommends that Premiers encourage the F/P/T Council to consider all aspects of SUFA implementation, including the three-year review. Premiers should direct the P/T Council to continue its efforts to develop a coordinated approach to these activities. If the federal government is unwilling to participate in these discussions, the P/T Council should then develop its own options for fulfilling the SUFA commitments, including the three-year review, and report back to Premiers at the 2001 Annual Premiers' Conference.

The Council further recommends that Premiers acknowledge the efforts of the F/P/T Council to engage Aboriginal people in SUFA implementation and encourage the Council to convene the second Tripartite meeting with national Aboriginal Leaders and F/P/T Ministers Responsible for Aboriginal Affairs by December 2000.

NATIONAL CHILDREN'S AGENDA

Premiers' Direction from 1999 APC

Premiers reaffirmed their commitment to the National Children's Agenda, and endorsed the commitment in the consultation document to incorporate the views of Canadians into a vision and report back, so that the vision can guide efforts to improve the lives of Canada's children.

Progress

- In May 1999, the F/P/T Council on Social Policy Renewal initiated a public dialogue on the National Children's Agenda. Two public discussion papers were released to support the dialogue process. Five national Aboriginal organizations participated with F/P/T governments in the launch and the dialogue.
- Public input was received from F/P/T roundtable meetings and focus groups that were held in Vancouver, Edmonton, Toronto, Ottawa and St. John's. Provinces and territories additionally undertook their own public consultations for consideration by the F/P/T Council. Further opportunities for public information and involvement were provided through a 1-800 number and an Internet web site. A separate process, managed by the five Aboriginal organizations, provided input from Aboriginal Canadians.
- A report on the outcome of the dialogue process *Public Report: Public Dialogue on the National Children's Agenda - Developing a Shared Vision* was released by the F/P/T Council on Social Policy Renewal on June 21, 2000.
- The report provides an overview of the comments received, as well as revised statements of vision, values, and goals that reflect the views presented by Canadians during the consultations. The vision, values and goals of the NCA are intended to provide a shared vision for our children that can serve as a catalyst for action by all Canadians.

- Participants expressed strong support for the NCA and emphasized that parents, families, communities and organizations, as well as governments, make key contributions to the well-being of children and have an important role to play in the progress of the NCA. Participants also agreed on the importance of tracking how Canadian children are doing and on the importance of sharing research, experience and information.

Next Steps

The Council has approved a series of next steps for future work on the NCA which includes the development of options for: completing the National Child Benefit; involving youth, business and voluntary sectors in the NCA; communicating the NCA vision; monitoring the progress of Canada's children; and sharing effective approaches to improving child well-being. Council Ministers acknowledge the work that is being undertaken by Health and Social Services Ministers to address early childhood development - including development of an F/P/T early childhood development initiative - and to explore new ways of fostering strong adolescent development.

Recommendations

The Council recommends that Premiers reaffirm their commitment to children's issues as a top priority; endorse the vision, values and goals of the NCA; and, direct Social Services and Health Ministers to further their discussions toward an agreement with the federal government on an early childhood development initiative. The Council would coordinate this activity with its other work on the National Children's Agenda.

EARLY CHILDHOOD DEVELOPMENT

Premiers' Direction from 1999 APC

Premiers reaffirmed early childhood development as an overall priority within the children's agenda. On the possibility of a new federal children's initiative, Premiers indicated they expected the federal government to undertake early and meaningful collaboration with the provinces and territories so that any new federal initiatives are not duplicative of work already underway in the provinces and territories.

Progress

- In June 1999, F/P/T Deputy Ministers Responsible for Health and Social Services requested F/P/T health and social services officials working on the National Children's Agenda to develop an evidence-based paper on early child development.
- The October 1999 Federal Throne Speech proposed that provinces and territories enter into an agreement with the federal government by December 2000, on "a national action plan to further support parents and families", consistent with the Social Union Framework Agreement. The 2000 federal budget speech reiterated the federal invitation "to all governments to reach agreement ... on an action plan for early childhood development."
- At their October 26, 1999 meeting, F/P/T Ministers Responsible for Social Services discussed the joint work undertaken by F/P/T health and social services officials. Ministers agreed that this joint work with Health Ministers on early childhood development "should form the basis for responding to the federal government's invitation in the Speech from the Throne to work together in this area".

- At their June 2000 meeting, F/P/T Ministers Responsible for Social Services agreed that their officials should initiate discussions on an early childhood development initiative. The specific areas identified for discussion include principles, goals and objectives; program areas for investment; funding parameters and a fiscal framework (including transfer mechanism, sustainability, flexibility); and an accountability framework.
- With the caveat of P/T Ministers continued call on the federal government to restore the Canada Health and Social Transfer to 1994-95 levels of \$18.7 billion dollars, with an appropriate escalator, F/P/T Ministers agreed that officials should initiate discussions on an early childhood development initiative. The provincial/territorial expectation is that new federal funds for early childhood development would be in addition to the full restoration of CHST with an escalator.
- P/T Ministers responsible for early childhood development are developing a P/T approach to the elements of an early childhood development initiative. F/P/T discussions are also underway on the vision, goals, and objectives of an early childhood development initiative.

Next Steps

Ministers responsible for Social Services and Health have reaffirmed their commitment to develop an early childhood development initiative. P/T Ministers have directed officials to advance their discussions with the federal government on a possible framework agreement in anticipation of the Annual Premiers' Conference and a First Ministers' Meeting in the fall. P/T Ministers also will continue discussions on early childhood development among themselves.

Recommendations

The Council recommends that Premiers confirm that early childhood development is their top priority for action within the overall national children's agenda.

The Council recommends that Premiers acknowledge that parents and families play the primary role in supporting and nurturing children. Communities, businesses, non-profit organizations, professional networks, associations, volunteers and government also make key contributions to the well-being of children. The Council recommends that Premiers state their commitment to help all sectors of society support children in their early years.

The Council further recommends that Premiers encourage their Social Services and Health Ministers to further advance their discussions toward an agreement with the federal government on an early child development initiative, on the understanding that any final agreement must take place in addition to the full restoration of the CHST to 1994-95 levels, with an appropriate escalator.

The Council suggests that Premiers state that federal funding for a new early childhood development initiative must be in addition to the full restoration of the CHST with an appropriate escalator. The restoration of the CHST and the escalator is to sustain and support existing social programs, not launch new Canada-wide programs.

NATIONAL CHILD BENEFIT

Premiers' Direction from 1999 APC

Premiers reiterated their commitment to the full implementation of the NCB, at an annual benefit level that is sufficient to remove children from the social assistance system (estimated at about \$2500 per child), and called on the federal government to make the necessary funding commitment to its year 2000 budget.

Progress

- With the 2000 federal budget announcement, the Government of Canada's investment in the NCB will increase to \$2.5 billion in ongoing funding by 2004. This is expected to raise the maximum Canada Child Tax Benefit (CCTB) to \$2,400 for the first child and \$2,200 for the second child. This represents substantial progress toward building a national platform of income support for low-income families with children.
- In addition to the federal investment, in 1999/2000, provinces/territories and First Nations have invested more than \$500 million in NCB programs and services for low-income families with children. Provincial/territorial NCB initiatives have been concentrated in the following areas: Child Care/Day Care; Early Childhood Services /Children-at-Risk Services; Child Benefits/Employment Income Supplements; Supplementary Health Benefits; and other programs. First Nations NCB initiatives have been concentrated in community-based programs such as child nutrition, family services, youth development and training and employability skills.
- A joint NCB evaluation is proceeding. The evaluation will provide information on relevance, progress on implementation, program impacts, lessons learned, as well as enhanced understanding of how the NCB is affecting children and families.

- As part of the next phase of NCB investments, F/P/T Ministers Responsible for Social Services released a *National Child Benefit Future Directions* paper on July 20th 2000, in which they:
 - reiterate their support for the NCB initiative and its unique partnership approach to addressing the issues of child poverty and work force attachment of parents;
 - support the emerging national platform of income support that the NCB is building;
 - express their commitment to long-term, sustainable funding of the initiative;
 - recognize the important contribution of NCB reinvestments, and support the principle of NCB investments in early childhood development initiatives; and
 - indicate their continued support for the NCB approach to accountability.

Next Steps

The NCB Progress Report 2000 is expected to be released in Fall 2000. It will build on information contained in the first report, with jurisdictions reporting for the first time on actual expenditures.

Results on the key components of the National Child Benefit evaluation will be available by Fall 2001.

Recommendation

The Council recommends that Premiers endorse the continued work of Ministers Responsible for Social Services in the development of the NCB initiative.

BENEFITS AND SERVICES FOR PERSONS WITH DISABILITIES

Premiers' Direction from 1999 APC

Premiers endorsed the work of Social Services Ministers on disabilities issues and in advancing the objectives outlined in the *In Unison* paper, and called on the federal government to work more cooperatively with provinces and territories, and refrain from making unilateral announcements that impact on areas of provincial/territorial jurisdiction.

Progress

- *In Unison: A Canadian Approach to Disability*, which was released by Social Services Ministers in October 1998, outlines a shared vision and policy framework to guide reform in the area of working aged adults with disabilities. It recognizes that the achievement of this vision is a shared responsibility between people with disabilities, their communities, governments and the private sector.
- Social Services Ministers are working with the disability community and Aboriginal organizations in developing a follow-up report to *In Unison*. This report will encourage dialogue among all Canadians regarding disability issues. The report, which includes data on some societal indicators and illustrative effective practices, will address the issues of full citizenship and inclusion for persons with disabilities in the areas outlined in *In Unison*.
- Work is also continuing on Disability Links, a national website to house information on all government programs and services for persons with disabilities.

Next Steps

The follow-up report to *In Unison* has a targeted release date of Fall 2000.

The Disability Links website is expected to be launched in the Fall of 2000.

In June 2000, F/P/T Social Services Ministers agreed to explore the feasibility of working jointly on the following two initiatives: analysis of labour market needs for persons with disabilities in conjunction with Labour Market ministries; and, assessing the feasibility of a new "disability tax benefit" to fund disability supports in conjunction with Finance ministries.

Recommendations

The Council recommends that Premiers endorse the work of Social Services Ministers on benefits and services for persons with disabilities.

HEALTH

Premiers' Direction from 1999 APC

Premiers called on the federal government to work with P/T Health Ministers on key priorities, including full CHST restoration with an appropriate escalator, and clarification of roles and responsibilities.

Premiers also directed Ministers of Health to develop practical recommendations for ensuring a sustainable, affordable, single-tier, publicly funded health care system for the 21st century, and to address health human resources issues in a timely and cost effective way, and to report back with recommendations by June 2000.

Premiers directed Ministers of Health to ensure health information and research support improved management and decision-making at all levels of health care delivery and health outcomes for Canadians. Premiers requested that P/T Ministers work together to identify and provide options on how to address the need to improve population health in all regions of Canada.

Progress

- Premiers and their Health Ministers have continued to work together to consider the sustainability of Canada's health care system. Health Ministers prepared and each jurisdiction released in June 2000 an interim report on *Understanding Canada's Health Care Costs*. The report examines how health care is financed and the cost of broadening the health care renewal activities that are already underway. It also looks at the current and future cost drivers and cost accelerators in the health system. The final report will be tabled at the 2000 Annual Premiers' Conference.
- F/P/T Health Ministers are continuing to explore innovations appropriate to the needs of each province/territory.

Next Steps

P/T discussions are continuing on ways to preserve and protect a sustainable publicly-funded health care system. F/P/T Health Ministers' broad discussions are continuing on health innovation.

The annual conference of F/P/T Health Ministers is scheduled for October 2 and 3, 2000.

Recommendations

The Council recommends that Premiers continue to seek adequate and sustainable federal funding for health and other social programs through the full and immediate restoration of the CHST with an appropriate escalator.

The Council further recommends that P/T Health Ministers show leadership in the renewal of health care services by addressing key priorities for health care renewal and by identifying key innovations.

EDUCATION

Premiers' Direction from 1999 APC

Premiers reiterated their call for full restoration of the CHST and harmonization of federal and provincial/territorial student financial assistance programs. They also endorsed the Report on Public Expectations of Post-secondary Education in Canada and the ongoing work between provinces and territories and the post-secondary sector to collaborate in advancing this work. Premiers encouraged CMEC collaboration with the P/T Council on Social Policy Renewal, and endorsed the Education Ministers' review of the Joint Declaration of Ministers in Education and Post-Secondary Education, in order to enhance the interprovincial and pan-Canadian collaboration on educational practice and policy.

Progress

- Following its September 1999 meeting, the CMEC issued a Joint Declaration reaffirming its responsibility for providing leadership in education across Canada and addressing the challenges imposed by a rapidly changing world. The CMEC further agreed that its actions would continue to be guided by five themes: accountability, quality of education, accessibility, mobility and responsiveness to learner needs.

Post-Secondary Education Sector:

- Based on the direction of Premiers from their 1999 Annual Premiers' Conference, in October 1999, the CMEC issued a communiqué that called on the federal government to fully restore the CHST. Reductions in federal transfers and funding for social programs have clearly constrained the ability of provinces and territories to respond to changing needs.
- Throughout the past year, the CMEC has continued to raise concerns about unilateral federal announcements in areas related to post-secondary education. Specifically, there were concerns with federal announcements regarding the funding arrangements of initiatives for

provincial public institutions, such as those sponsored by the Canada Foundation for Innovation and the Canada Research Chairs of Excellence.

- As federal interest in the post-secondary education sector continues to grow federal investments have not been made with the active collaboration of provinces and territories, or in support of public expectations endorsed by Premiers last year. Instead, they are often made directly with institutions through federal funding agencies, such as the Canadian Foundation for Innovation, and the five national research councils. Such an approach potentially creates growing disparity among institutions, making it even more difficult for the system to meet both public expectations, and, ironically, federally stated objectives for a skilled workforce and a vibrant knowledge-based economy.
- The CMEC continues to advance the *Report on Public Expectations of Post-Secondary Education* by focussing primarily on the areas of increasing accessibility and research. CMEC will build on its existing partnerships in achieving these priorities.
- In addition, the CMEC will focus on addressing other longer-term expectations for the future of post-secondary education in Canada, such as the financial and non-financial barriers to post-secondary education. For example, as a result of the federal government's unsuccessful attempts to renegotiate student loan financing arrangements with the chartered banks, CMEC members are working to minimize any negative service and financial impacts of new federal loan arrangements on students and on provincial/territorial governments.
- Other specific priorities include:
 - the newly established Advisory Committee on On-line Learning with Industry Canada that is expected to report in November 2000;
 - participation in an international survey, assessment and report on adult learning which is being conducted by the Organization for Economic Co-Operation and Development;

- publishing indicators for the Canadian education system;
- representing Canadian education interests abroad;
- the pan-Canadian Education Research Agenda; and
- establishing closer links with Labour Market Ministers (FLMM).

K-12 Sector:

- The CMEC undertook to work on a number of activities consistent with its declared values and themes, including:
 - the release of a report on the School Achievement Indicators Program (SAIP) Science II Assessment, along with *Science Learning: The Canadian Context*;
 - the release of the report *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program, 1999*, as part of continued monitoring and improvement of pan-Canadian Education Indicators;
 - participating in the OECD's International Student Assessment project that will produce policy-oriented and internationally comparable indicators of student achievement;
 - the negotiation of an annual protocol with the federal government on the official languages in education, and further work in the area of francophone education in a minority setting;
 - the negotiation with CANCOPY of a pan-Canadian licence covering all jurisdictions, except Québec, on copyright issues;
 - the completion of curriculum comparability studies for mathematics, English language arts, and French language arts, and immersion programs. It was agreed that there is currently a high degree of congruency across the country in these areas;

- providing ongoing co-ordination and participation in international education activities with the Department of Foreign Affairs and International Trade (DFAIT); and
- preparing for the 14th Conference of Commonwealth Ministers of Education, which will take place in Halifax on November 27-30, 2000. Preparations include the development for a gateway web site intended for non-Canadians, plus providing a collective Canadian presence at the trade fair.

Recommendations

Post-Secondary Education Sector:

The Council recommends that Premiers encourage their Education Ministers to continue their own work, within the CMEC, and with other sectors, including labour market Ministers, to learn from each other in order to manage current challenges and to plan for the future. The Council also recommends that Premiers support the continuing efforts of the CMEC to implement the *Report on Public Expectations of Post-Secondary Education in Canada* in order that public expectations can be better met in a manner that is sensitive to jurisdictional priorities.

The Council recommends that Premiers encourage the CMEC to continue to pursue increased federal transfers to provinces and territories as a means of supporting provincial/territorial implementation of the *Report*. Premiers could also call on the federal government to ensure that federal research programs are designed to promote the development of research in all areas of the country, without adding financial pressures on the provinces or their educational institutions.

K-12 Sector:

The Council recommends that Premiers acknowledge the work of provinces and territories to improve the learning environments and curricula of Canadian children and youth. The Council also recommends that Premiers call on the federal government to recognize and respect

provincial/territorial responsibilities for providing education to young Canadians.

LABOUR MARKET

Premiers' Direction from 1999 APC

Premiers supported the work of Labour Market Ministers and tasked Ministers to:

- continue working with the federal government on the Youth Employment Strategy;
- urge the federal government to increase the overall funding package made available to provinces and territories for the financing of active measures to the maximum set out in the EI Act, namely 0.8% of the total insurance earnings on an equitable basis;
- review and explore with the federal government, options for developing a new provincial/territorial allocation formula for EI Part II programming;
- work with the federal government to explore policy options, including a seasonal workers' strategy, that could be used to facilitate skills development and adjustment;
- urge the federal government to make available additional Part II funds as provided for under the EI Act, to fund new measures to extend employment opportunities for seasonal and part-time workers; and
- continue to work with the federal government, other provincial/territorial ministries, and regulated occupations to ensure full compliance with the labour mobility obligations of the Agreement on Internal Trade is achieved by July 2001.

Premiers reiterated their call for the federal government to continue to reduce EI premium rates to previous levels.

Progress

Youth Employment

- At their upcoming meeting in October 2000, F/P/T Labour Market Ministers are expected to release the 2nd *Annual Profile of Youth in the Labour Market*, which focuses on the characteristics of youth at risk and examines the transition from school to work.

- Employer of Youth awards, a multilateral initiative in partnership with the Conference Board of Canada, are being presented to employers who provide training and career development opportunities for youth.
- Ministers directed Officials to renew emphasis on the negotiation of effective bilateral Youth Protocol Agreements with Human Resources Development Canada. Ministers cited roles and responsibilities, overlap and duplication of youth related programming, and unilateral federal announcements in the area of youth employment as primary concerns in reaching youth protocol agreements with the federal government. To date, the four Atlantic provinces and Manitoba have signed Protocols.

Labour Market Development Agreements and EI Part II Allocation

- All provinces and territories, except Ontario, have signed labour market development agreements with the federal government. Ontario has initiated a process of dispute resolution, under the Social Union Framework Agreement, and has asked that a third party be brought in to help resolve the remaining outstanding issues. Some jurisdictions are currently undertaking three-year reviews of their LMDA agreements.

Labour Market Development Agreements are considered to be the cornerstone for labour market development. A number of outstanding issues remain, however, such as: the adequacy of total funding available through Part II of the *Employment Insurance Act*, eligibility and access to active employment measures, and some duplication in programs and services offered. Federal government withdrawal from paying full training costs and inadequate amounts allocated under the LMDA agreements has led to reduced capacity of the post-secondary education sector.

- In May 2000, provinces and territories presented the federal Minister with a business case calling for an increase of total funding to the maximum allowable under Part II of the *Employment Insurance Act*. To date no response has been received from the federal Minister regarding the business case.

Skills Development

- The F/P/T Forum of Labour Market Ministers, with the exception of Québec, directed officials to develop a framework designed to support skill development, for their consideration. The intent of the framework would be to provide a shared understanding of needs, goals and strategies, and government roles, within which to situate complementary and collaborative action on skills. The framework would be consistent with directions established through the Labour Market Development Agreements, while addressing a broader client base.
- Provinces and territories have called for the federal government to clearly define roles and responsibilities for any new federal initiatives in a way that respects provincial and territorial jurisdiction in the areas of education and training and is consistent with the Social Union Framework Agreement. In discussions related to a fiscal framework, provinces and territories have urged the federal government to restore CHST funding and increase EI Part II funding for LMDAs before introducing any new funding related to skills development.

Labour Mobility

- In early October, the Forum of Labour Market Ministers will be reviewing progress on the implementation of the provisions of Chapter 7 of the Agreement on Internal Trade (AIT) to ensure full compliance by the July 2001 deadline set out in the Social Union Framework Agreement. Continued cooperation with other ministries, including Labour, Health, Education and Intergovernmental Relations, is considered critical to achieving success. Provincial, territorial and federal governments continue to work with representatives of the over 400 regulatory authorities governing the activities of affected professions, trades and occupations on their obligations under the Chapter.

Seasonal Workers

- In April 2000, the F/P/T Forum of Labour Market Ministers endorsed a *Report on Seasonal Workers* that identifies the labour market issues facing the seasonal workforce, existing programs, and possible policy directions. Provinces, territories and the federal government are currently developing a seasonal workers' strategy which includes an examination of existing programming options and the development of program criteria for pilot projects to strategically address the needs of the seasonal workforce.

Labour Market Information (LMI)

- At the September 1999 meeting of the F/P/T Forum of Labour Market Ministers, an LMI vision statement was endorsed. A three-year action plan is being developed by provinces, territories and the federal government which is focused on creating a more coherent, relevant, individualized, accessible, and coordinated approach to the development and delivery of LMI at the local, provincial and national levels.

Aboriginal Peoples

- The F/P/T Forum of Labour Market Ministers is actively engaged in identifying ways of including the perspectives of Aboriginal people in its work and is working in a collaborative manner with F/P/T Ministers Responsible for Aboriginal Affairs and national Aboriginal Leaders.

Older Workers

- A diagnostic report on older workers is to be presented at the upcoming meeting of F/P/T Labour Market Ministers. Several jurisdictions are actively developing pilot projects for workers in this area.

Recommendations

The Council recommends that Premiers support the work of their Labour Market Ministers and call on the federal government to work collaboratively with provinces and territories to develop and further the implementation of bilateral Youth Protocol Agreements that respect provincial and territorial jurisdiction in the areas of education and training. Ministers should continue to report progress to Premiers, particularly in the area of youth at risk.

Further, Ministers should continue to work on the development of a skills framework to enhance skills development and reduce barriers to employment, including the identification of P/T priorities in this area. The framework should clearly define roles and responsibilities for any new initiatives in a way that is consistent with the Social Union Framework Agreement, and respects provincial and territorial jurisdiction in the areas of education and training. At the same time, fiscal issues must be addressed by fully and immediately restoring the CHST with an appropriate escalator and by increasing EI Part II funding for LMDAs to the maximum allowable under the EI Act.

Ministers should also address the needs of workers having difficulty participating in the labour market, such as Aboriginal, seasonal and older workers. Federal funding for any new programs or services must be adequate, sustainable and predictable and integrated into existing delivery structures.

The Council recommends that Premiers encourage Ministers to work diligently to ensure full compliance with the labour mobility obligations of the Agreement on Internal Trade by July 2001.

ABORIGINAL AFFAIRS

Premiers' Direction from 1999 APC

Premiers acknowledged the efforts of Aboriginal Affairs Ministers toward the development of an ongoing process for consultations with national Aboriginal Leaders and the federal government. They requested that Aboriginal Affairs Ministers and Labour Market Ministers ensure that the National Aboriginal Youth Strategy is coordinated with the National Youth Employment Strategy.

Premiers urged Aboriginal Affairs Ministers and Council Ministers to move ahead with planning for a joint meeting with national Aboriginal Leaders, which would include the federal government. Further, they called on the federal government to honour its fiduciary and constitutional responsibilities for Aboriginal peoples particularly with respect to ensuring comparable levels of social programs for Aboriginal Canadians, ensuring Aboriginal Canadians are able to participate fully in Canada's social and economic life, and addressing barriers to the mobility of Aboriginal Canadians.

Progress

- At the December 15, 1999 meeting of F/P/T Ministers Responsible for Aboriginal Affairs and Leaders of the five national Aboriginal organizations, Ministers and Leaders agreed to establish an on-going process focussed on achieving practical results through cooperative initiatives, providing increased communication and information-sharing, and facilitating Aboriginal interests within governments. As part of this process, Ministers and Leaders agreed to meet at least once a year to review the work undertaken by officials. It was also agreed that this process would not replace existing mechanisms for Aboriginal involvement in various initiatives underway, nor preclude direct participation in other national or regional initiatives. Ministers and Leaders approved the public release of a Federal/Provincial/Territorial/Aboriginal (F/P/T/A) Ongoing Process Report.

- Ministers and Leaders acknowledged the importance of issues identified in the Ongoing Process Report and directed their officials to work together to recommend strategies and approaches to strengthen Aboriginal participation in the economy. They noted the need to address barriers to Aboriginal involvement in the economy, the importance of engaging the private sector, and in sharing of best practices. A F/P/T/A Working Group on Aboriginal Participation in the Economy is in the process of developing a draft paper for the consideration of Ministers and Leaders. The Working Group also is working to establish linkages with the subgroup on Aboriginal Issues under the Forum of Labour Market Ministers.
- Ministers and Leaders endorsed a report on a National Aboriginal Youth Strategy to address the needs and concerns of Aboriginal youth. A steering committee of officials was directed to monitor progress on achieving the objectives of the strategy and to report regularly to Ministers and Leaders on progress being made.¹ It was agreed that planning should proceed for a national Aboriginal youth conference to provide a national forum to hear directly from Aboriginal youth. A planning committee of F/P/T/A officials is currently organizing a National Aboriginal Youth Conference. Ministers and Leaders approved the public release of the National Aboriginal Youth Strategy Report.

Next Steps

A meeting of F/P/T Ministers Responsible for Aboriginal Affairs and Leaders of the five national Aboriginal organizations is anticipated within six months. The F/P/T/A Working Group on Aboriginal Participation in the Economy will prepare a draft report for the consideration of Ministers and Leaders at the proposed meeting. A National Aboriginal Youth Conference is being planned.

¹ Québec concurs in the analysis and concerns expressed in the report and subscribes to the suggested goals. Nevertheless, Québec intends to find solutions to the problems faced by young Aboriginal people within the context of its own policy directions and mechanisms.

Work is proceeding toward a second Tripartite meeting of national Aboriginal Leaders, the F/P/T Council on Social Policy Renewal and Ministers Responsible for Aboriginal Affairs in December 2000.

Recommendations

The Council recommends that Premiers call on the federal government to recognize its treaty, constitutional and fiduciary responsibilities for the health, education and well-being of Aboriginal Canadians and further recommends that the federal government work with provinces, territories and Aboriginal peoples on more effective delivery and financing of health, education and social services for Aboriginal peoples.

The Council recommends that Premiers acknowledge the work of Aboriginal Affairs Ministers in collaborating on the completion of the National Aboriginal Youth Strategy, and urge Aboriginal Affairs Ministers and the HRDC Minister to expedite the planning of the National Aboriginal Youth Conference.

Further it is recommended that Premiers acknowledge the ongoing process for consultations with national Aboriginal Leaders and the federal government, and the efforts of Ministers Responsible for Aboriginal Affairs in collaborating on the Aboriginal Participation in the Economy report, and in exploring linkages with the work of the subgroup of the Forum of Labour Market Ministers.

HOUSING

Premiers' Direction from 1999 APC

Premiers supported the ongoing work of Housing Ministers.

Progress

- In 1996, the federal government committed to phase out its role in social housing and devolve its responsibility to provinces and territories. The federal government offered provinces the option of taking over management of the existing federal social housing in their jurisdictions, prior to the federal withdrawal.
- The federal government subsequently initiated bilateral discussions with the provinces and territories and has concluded agreements with Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Ontario, Manitoba, Yukon, and Nunavut. Through these bilateral agreements, provinces may have additional flexibility in managing social housing resources in their jurisdictions. It should be noted that federal funding for managing social housing was capped in 1995/96. Federal funding in each province and territory corresponds with the year its bilateral agreement was signed.
- As current F/P/T project operating agreements end, federal funding will decline. Long-term federal funding for social housing remains an outstanding issue, due to issues such as, but not limited to, the aging housing stock and the continuing housing needs of the elderly and persons with disabilities.
- On July 28, 1999, P/T Ministers responsible for Municipal Affairs and Housing agreed to re-establish a formal inter-jurisdictional forum, which has been absent since 1994, to foster discussion and cooperation on housing issues. Provinces and territories have developed a P/T Terms of Reference which sets out the parameters and principles of a P/T Forum.

- Provinces and territories have engaged the federal government in discussing the objectives and scope of the relationship between federal and provincial/territorial Housing Ministers. An overarching concern identified by provinces and territories which will impact the nature of this relationship, has been the recognition that federal responsibility for aspects of Housing have been dispersed throughout a number of Ministries. For instance, the Homelessness initiative, the Infrastructure Program, which has an affordable housing component, and the CMHC are each the responsibility of a different federal Minister.
- Ministers of Housing have expressed concern to the federal government over its unilateral approach to the national problem of homelessness. Ministers believe that important concerns for Canadians such as housing adequacy, overcrowding, safety and poverty issues, and Aboriginal housing are not being properly addressed as a result of the narrow definition of homelessness applied by the federal government.

Next Steps

At their September 2000 meeting, P/T Housing Ministers will consider:

- endorsing the Terms of Reference for a rejuvenated P/T Forum
- the status of work on specific issues such as Homelessness, Rural and Remote Housing, and Affordable Market Housing.

At the F/P/T Ministers' Meeting scheduled to follow the September P/T Meeting, Housing Ministers will discuss, among other issues:

- the nature of the relationship between the federal and provincial/territorial Housing Ministers and the problems associated with the dispersal of housing responsibilities throughout a number of ministries.

- the concerns of provinces and territories over the federal handling of the homelessness initiative and the need to address the full range of housing and homelessness issues.

Recommendations

The Council recommends that Premiers continue to support the ongoing work of Housing Ministers. The Council further recommends that Premiers bring to the attention of the Prime Minister the concern of Housing Ministers that the federal responsibility for Housing is dispersed throughout a number of federal ministries. Premiers could also call on the federal government to consider collaborative approaches to address the different needs of homeless Canadians.

STATUS OF WOMEN

Premiers' Direction from 1999

Premiers reiterated the importance of assessing impacts of policy reform for women and encouraged Sector Councils to continue to undertake gender based analysis, using available analysis tools and Status of Women resources, and to report on their findings.

Progress

- Ministers responsible for Status of Women have continued to focus their work in the priority areas of economic equality, women's health and prevention of violence.

Next Steps

At their annual meeting in September 2000, Ministers will discuss a women's economic strategic framework and a workplan of new initiatives; review a gender analysis of a F/P/T report on population health; and, consider the feasibility of a project to develop quantitative indicators with respect to violence against women.

Recommendations

The Council recommends that Premiers endorse the work of Status of Women Ministers and encourage Ministers to continue in the priority areas identified.

FINANCE

Premiers' Direction from 1999 APC

Premiers supported the continuing efforts of P/T Finance Ministers to work with the federal Finance Minister to reform fiscal transfer arrangements. Premiers also asked Finance Ministers to work with the P/T Council on Social Policy Renewal in the development of a strategy on redesign of fiscal arrangements to ensure P/T governments have adequate resources to carry out their responsibilities, especially in the funding of social programs.

Progress

- In December 1999, the P/T Finance Ministers issued a common position called *Improving Competitiveness and the Standard of Living of Canadians*, which draws attention to the fiscal imbalance between federal and P/T levels of government and the need for tax competitiveness. Finance Ministers called for bolstering Canada's economic competitiveness by:
 - striking an appropriate balance between reducing taxes and reinforcing social programs;
 - reducing the tax burden and introducing significant personal income tax reductions;
 - designing those tax cuts in ways that respect P/T fiscal autonomy and maintain P/T ability to finance and improve social programs – including discussions to accelerate implementation of Tax on Income under the Tax Collection Agreements;
 - immediately restoring CHST cash funding to 1994/95 levels, with an appropriate escalator, in concert with removal of the ceiling on Equalization payments; and
 - undertaking discussions between the federal and P/T governments about a new infrastructure program.

- The move to a system of Tax on Income is now being implemented and parameters for a federal/provincial/municipal infrastructure program have been announced and negotiations are underway.
- The 2000 federal budget provided for a \$2.5 billion one-time CHST supplement for health care and post-secondary education, notionally allocated over four years. This follows the \$3.5 billion CHST Health Supplement announced in the 1999 federal budget, which was notionally allocated over three years. The 1999 budget also announced a plan to raise the cash base of the CHST to \$15 billion by 2002/03. These two announcements, while helpful, still do not meet the Premiers' call for full restoration of CHST cash to the 1994/95 level of \$18.7 billion along with an appropriate escalator.
- Since the 2000 federal budget, both the Prime Minister and the federal Minister of Health have acknowledged that additional federal funding is needed to bolster the effectiveness of the health care system, and have indicated that announcements would be forthcoming in the fall of 2000.
- P/T Finance officials have prepared options for an appropriate escalator that Premiers will consider at the August 2000 Annual Premiers' Conference.

Next Steps

P/T Finance Ministers anticipate an opportunity to discuss the restoration of the CHST and an appropriate escalator with their federal counterpart in advance of a fall First Ministers' Meeting.

Recommendations

Building on the work done previously by P/T Finance Ministers on the fiscal imbalance in Canada, and taking into account the work of P/T Health Ministers on the cost drivers analysis, the Council recommends that Premiers direct P/T Finance Ministers to develop a long-term strategy to ensure that P/T governments will have adequate resources to carry

out their responsibilities, especially in the funding of social programs.

Appendix A

THE SOCIAL UNION FRAMEWORK AGREEMENT'S DISPUTE AVOIDANCE AND RESOLUTION MECHANISM

I. KEY AREAS OF DISPUTE RESOLUTION

The Social Union Framework Agreement sets out a broad process for dispute avoidance and resolution that is not binding. The process applies to governments' commitments on mobility, intergovernmental transfers, interpretation of the *Canada Health Act*, and new joint initiatives as appropriate.¹

A practical and effective dispute settlement mechanism is crucial to meeting governments' commitments in the Social Union Framework Agreement and to meeting Canadians' expectations that their governments will work together.

Following on the P/T Ministerial Council's direction of October 27th, 1999, this paper fleshes out the Agreement's dispute resolution process in the following key areas:

- Initiating the dispute settlement process.
- Timelines for each step or stage in a dispute such as fact-finding or negotiations.
- Processes for identifying and choosing third parties.
- The nature of third party reports (for example, fact-finding, mediation, advice).

II. DISPUTE AVOIDANCE AND RESOLUTION IN THE FRAMEWORK AGREEMENT

The dispute avoidance and resolution process in the Framework Agreement consists of five principal elements:

¹ With regard to mobility, the Framework's principles apply to residency-based policies or practices which constrain access to post-secondary education, training, health and social services and social assistance unless they can be demonstrated to be reasonable and consistent with the principles of the Social Union Framework. Disputes over mobility commitments under the Agreement on Internal Trade would be dealt through that agreement's existing dispute resolution processes.

- "Governments are committed to working together and avoiding disputes through information-sharing, joint planning, collaboration, advance notice and early consultation, and flexibility in implementation" (pg. 7)
- "Sector negotiations to resolve disputes will be based on joint fact-finding" (pg. 7)
- "A written joint fact-finding report will be submitted to governments involved, who will have the opportunity to comment on the report before its completion" (pg. 7)
- "Governments involved may seek assistance of a third party for fact-finding, advice, or mediation" (pg. 7)
- "At the request of either party in a dispute, fact-finding or mediation reports will be made public" (pg. 8)

The mechanism outlined below aims to fill some of the critical gaps in the Framework Agreement's dispute avoidance and resolution process in a way that is consistent with the five principal elements of that process.

A) Dispute Avoidance and Prevention

This element in the Framework Agreement is most reasonably interpreted as a good neighbour clause which sets a standard of practice for the normal course of governments dealing with each other. It acknowledges that signatories to the Framework Agreement will make every effort to prevent disputes from arising. Information-sharing, joint planning, collaboration, advance notice and early consultation are identified as critical components of dispute avoidance and prevention in the Framework Agreement.

It would be important for all signatories to the Framework Agreement to do joint work to elaborate how these critical components would operate. In addition, governments may wish to develop an early warning system enabling jurisdictions to give formal advance notice that an area of possible dispute has been identified.

B) Dispute Resolution

The following general points would be common to the proposed dispute resolution process:

- ☐ As signatories to the Agreement, all jurisdictions are committed to participate through all steps of the dispute settlement process in the Agreement once it has been initiated.
- ☐ Variations from the proposed mechanism – e.g., with respect to timelines – can be made by mutual agreement between the disputing parties.
- ☐ Unless stated otherwise, relevant written material produced in the course of the dispute resolution process would normally be copied in confidence to the Ministerial Council.

Initiation of the Dispute Resolution Process

Any party to the Framework Agreement can initiate the dispute resolution process with another party. Formal notification of a dispute would be communicated by one Minister to the other Minister of the governments involved. The communication would be copied to the Ministerial Council to ensure transparency.

In the instance that one of the parties in the dispute does not agree that the dispute is covered by the Framework Agreement, then a "coverage" panel will be formed to determine if the dispute is in fact covered.

Within a period of 2 weeks, each of the disputing parties will nominate an independent representative and together these two representatives will nominate a third individual to the "coverage" panel. All parties to the Framework Agreement would have the right to make written submissions to the "coverage" panel over this two-week period.

Disputing parties agree in advance to accept the decision of the "coverage" panel.

The "coverage" panel will submit its report to the disputing parties, copied to the Ministerial Council, within 4 weeks of the panel being formed. For purposes of transparency, the panel's report will be made public. Upon issuing its report the panel will dissolve.

STEP 1 - Joint Fact-finding (5 Weeks)

The disputing parties may undertake to write a joint fact-finding report themselves. The draft report would be copied in confidence to the Ministerial Council.

As an alternative, a disputing party may request an independently written fact-finding report. The disputing parties will then each nominate an independent representative. Together these two representatives will nominate a third to act as chair, thus constituting a 3-person "fact-finding" panel (within 1 week of initiation of the dispute or the completion of the report by the coverage panel).

The panel's report will lay out the facts in the dispute but will not make recommendations. All signatories to the Framework Agreement can make written submissions to the fact-finding panel within 3 weeks of the initiation of a dispute. Copies of the submission will also be forwarded to the disputing parties at that time.

The disputing parties will have the opportunity to comment on the independent report before its completion. Once the panel has had the opportunity to consider the comments of the disputing parties, the fact-finding report will be made available to the disputing parties and to all signatories of the Framework Agreement on a confidential basis. Having issued its report, the panel will dissolve. The fact-finding report will be made public, at the request of either disputing party, only after the Negotiation, Mediation and Advice stages have been completed.

Once the fact-finding report is completed, the disputing parties will proceed to negotiations.

STEP 2 - Negotiations (6 Weeks)

The disputing parties may agree to skip Step 2 (Negotiations) and proceed to Mediation and Advice.

Negotiations will be based on the fact-finding report. Negotiations will take no more than 6 weeks unless mutually agreed by the disputing parties.

If negotiations are not successful, parties will proceed to mediation and advice. Where both parties agree, they may skip mediation and seek advice directly.

STEP 3 - Mediation and Advice (14 Weeks)

The two disputing parties will each nominate an independent representative, who together will nominate a third. This "selection" panel will identify both a "mediator" (if parties proceed with this stage) and an "advisor" (a respected individual with substantive knowledge of the issues in dispute), after which it will dissolve. The nomination of the selection panel and its identification of a mediator and advisor will all be made within a two-week period.

The mediator will receive a copy of the fact-finding report. The role of the mediator will be to facilitate negotiation, beginning with a discussion on the ground rules for the mediation process. Should mediation not resolve the dispute, the mediator will deliver a mediator's report to the disputing parties within 6 weeks of being named.

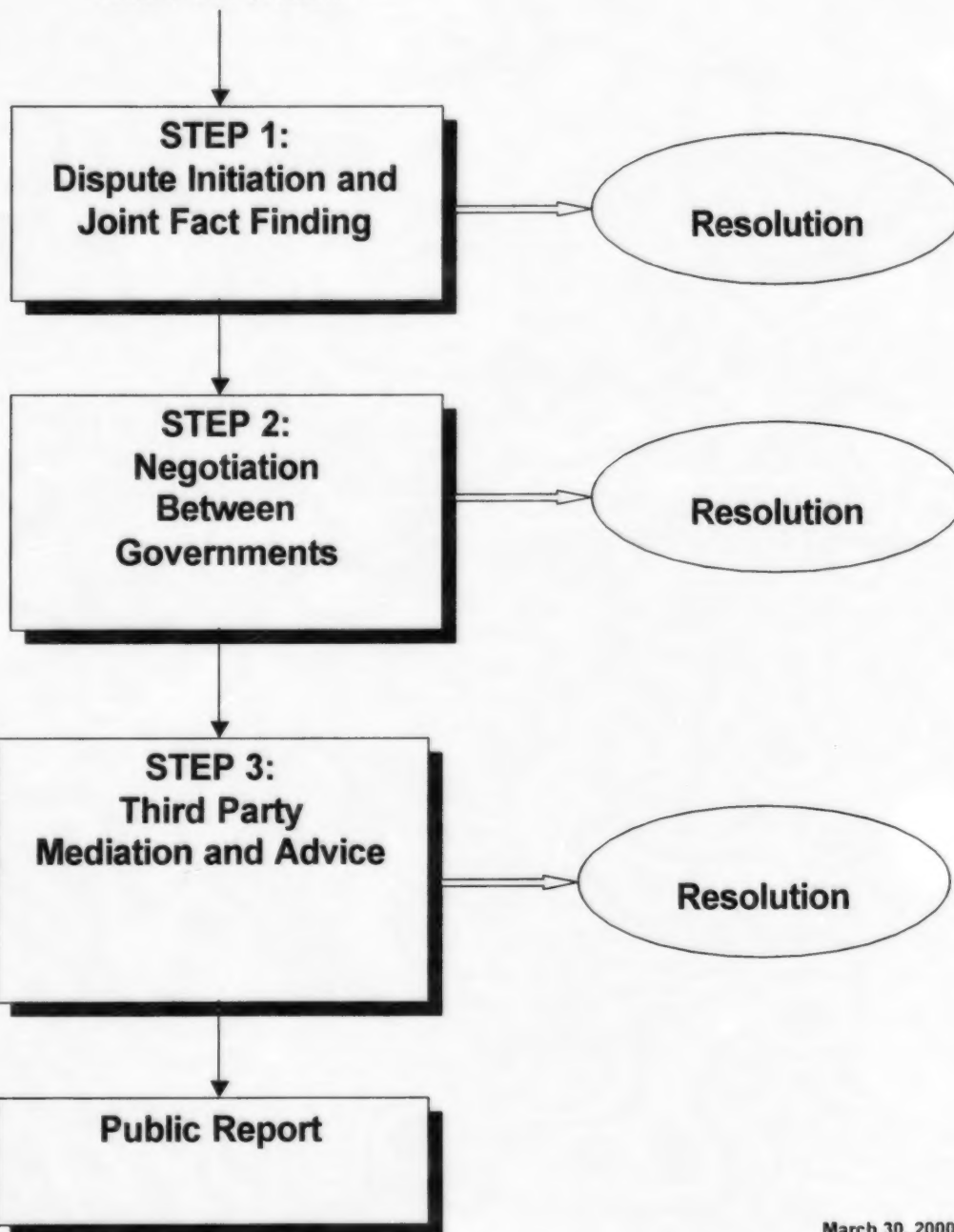
The advisor will receive both the fact-finding and mediation reports, and will draw upon these in preparing his/her advice on possible solutions to the dispute. The advisor will deliver this advice to the disputing parties for final negotiations within 4 weeks.

The advice cannot be binding. Nevertheless, the disputing parties always have the option to agree in advance to adhere to the advice.

If, after 2 weeks, negotiations based on the advice do not succeed in resolving the dispute, the advice, along with the mediation and joint fact-finding reports, may be made public at the request of either disputing party.

SOCIAL UNION FRAMEWORK AGREEMENT DISPUTE AVOIDANCE AND RESOLUTION MECHANISM

**Dispute
Avoidance
and Prevention**



March 30, 2000